

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-2-E - ORDER NO. 2005-144
MARCH 28, 2005

IN RE: South Carolina Electric & Gas Company –) ORDER DENYING
Annual Review of Base Rates for Fuel Costs.) JOINT MOTION

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Joint Motion to Postpone Hearing filed by SMI Steel-South Carolina (SMI) and the South Carolina Energy Users Committee (SCEUC)(together the Joint Movants) in this South Carolina Electric & Gas Company (SCE&G) Annual Review of Base Rates for Fuel Costs. SCE&G has filed a Response in opposition to the Joint Motion. Other responsive documents were also filed by various parties. We deny the Joint Motion.

The Joint Motion alleges that SCE&G is proposing to increase its base fuel factor by thirty-three percent over its currently effective fuel factor, which would constitute, according to the Joint Movants, both an extraordinarily large fuel factor and an extraordinarily large increase. SCE&G's exact proposal is to increase its base fuel factor by 0.578 c/KWh, to 2.342 c/KWh. According to the current schedule in the proceeding, the hearing is set for April 6, 2005, which is thirty-five (35) days after March 2, 2005, the date on which SCE&G filed its direct testimony in this proceeding. According to the Joint Movants, this testimony constituted the first notice to SMI and SCEUC of SCE&G's proposed increase. The Joint Movants go on to discuss their discovery needs in

this case, and they state that unless the hearing is postponed, thereby allowing intervenors more time to do discovery and prepare their testimony, SMI and SCEUC will be unable to adequately prepare for the hearing. Finally, the Joint Movants request a two week postponement of the hearing and extensions accordingly of all prefiling deadlines. They report that the Office of Regulatory Staff (ORS) does not oppose the Joint Motion.

SCE&G filed a Response opposing the Joint Motion. SCE&G states that the Notice of Hearing in the matter was filed November 19, 2004. SCE&G provided bill inserts notifying customers of the hearing in the December bills to customers. SCEUC filed a motion to intervene on December 20, 2004. On January 25, 2005, SCE&G met with SCEUC as part of its effort to inform customers about fuel costs and other matters impacting the cost of service. SCE&G states that, at this meeting, SCE&G informed the representatives of SCEUC of the general magnitude and reasons for the fuel factor increase. SCE&G informed the representatives of SCEUC that its preliminary analysis indicated that the fuel factor would increase by a millage rate probably ranging between five and seven mills. The actual requested increase turned out to be 5.78 mills, a number that SCE&G states is in the bottom half of the stated range.

SCE&G notes that on January 21, 2005, the Commission issued a schedule requiring SCE&G to prefile its direct testimony and exhibits on March 2, with intervenor testimony due March 16. Several data requests were served on SCE&G by ORS before the deadline for the applicant's direct testimony on March 2. On March 8, the Commission postponed for one week all remaining deadlines and postponed the hearing until April 6. As such, the intervenors were provided with an additional week to review

and respond to the prefiled testimony of SCE&G. On March 18, 2005, the Joint Movants filed the Joint Motion to postpone the hearing. The Joint Movants filed responses to the SCE&G response.

It should be noted that our last SCE&G fuel Order set the base fuel factor for the period of May, 2004 through May, 2005 based on the statutory scheme. A new fuel factor needs to be determined during the month of April for the period of May, 2005 to April, 2006. In light of this deadline and the fact that one postponement of the hearing has already occurred and considering the Commission's current hearing schedule for April, we hold that the Joint Motion to further postpone the hearing must be denied. Accordingly, we make the following:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. SMI and SCEUC filed a Joint Motion to Postpone the Hearing in this SCE&G Fuel case matter and all associated testimony prefiling dates.
2. SCE&G opposes the Joint Motion.
3. SMI and SCEUC allege that the hearing is scheduled thirty-five (35) days after SCE&G filed its testimony, which revealed for the first time the increase in the fuel factor being sought, and that this is insufficient time in which to propound discovery and prepare responsive testimony.
4. The general magnitude of the fuel increase was made known to SCEUC as early as January 25, 2005.
5. ORS propounded discovery at an early stage in the proceedings.

6. On March 8, 2005, the Commission postponed all remaining deadlines for one week and postponed the hearing to April 6, 2005. The Joint Movants have already had a one-week postponement in their prefiling deadline.

7. A new fuel factor needs to be determined during the month of April for the period of May, 2005 to April, 2006.

8. Considering this deadline, the fact that one postponement of the hearing and prefiling deadlines has already occurred, and considering the Commission's current hearing schedule for April, the Joint Motion must be denied.

ORDER

The Joint Motion for Postponement is denied. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

/s/
Randy Mitchell, Chairman

ATTEST:

/s/
G. O'Neal Hamilton, Vice-Chairman

(SEAL)